

JAN 17 2020

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# A BILL FOR AN ACT

RELATING TO THE STATE ETHICS CODE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 84-17, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By amending subsection (a) to read:

4 "(a) For the purposes of this section, the ~~[terms+~~  
5 ~~"Disclosure]~~ term "disclosure period" refers to the period  
6 from January 1 of the preceding calendar year to the time of the  
7 filing of the employee's or legislator's disclosure of financial  
8 interests.

9 ~~["Substantially the same" refers to no more than ten~~  
10 ~~amendments or changes to the information reported for the~~  
11 ~~preceding disclosure period.]"~~

12 2. By amending subsection (f) to read:

13 "(f) Candidates for state elective offices, including  
14 candidates for election to the constitutional convention, shall  
15 only be required to disclose their own financial interests. The  
16 disclosures of financial interests of all other persons  
17 designated in subsection (c) shall state, in addition to the



1 financial interests of the person disclosing, the financial  
2 interests of the person's spouse and dependent children. All  
3 disclosures shall include:

4 (1) The source and amount of all income of \$1,000 or more  
5 received, for services rendered, by the person in the  
6 person's own name or by any other person for the  
7 person's use or benefit during the preceding calendar  
8 year and the nature of the services rendered; provided  
9 that required disclosure under this paragraph for the  
10 income source of the spouse or dependent child of a  
11 person subject to subsection (d) shall be limited to  
12 the name of the business or other qualifying source of  
13 income, and need not include the income source's  
14 address; provided further that other information that  
15 may be privileged by law or individual items of  
16 compensation that constitute a portion of the gross  
17 income of the business or profession from which the  
18 person derives income need not be disclosed;

19 (2) The amount and identity of every ownership or  
20 beneficial interest held during the disclosure period  
21 in any business having a value of \$5,000 or more or



1 equal to ten per cent of the ownership of the business  
2 and, if the interest was transferred during the  
3 disclosure period, the date of the transfer; provided  
4 that an interest in the form of an account in a  
5 federal or state regulated financial institution, an  
6 interest in the form of a policy in a mutual insurance  
7 company, or individual items in a mutual fund or a  
8 blind trust, if the mutual fund or blind trust has  
9 been disclosed pursuant to this paragraph, need not be  
10 disclosed;

11 (3) Every officership, directorship, trusteeship, or other  
12 fiduciary relationship held in a business during the  
13 disclosure period, the term of office and the annual  
14 compensation;

15 (4) The name of each creditor to whom the value of \$3,000  
16 or more was owed during the disclosure period and the  
17 original amount and amount outstanding; provided that  
18 debts arising out of retail installment transactions  
19 for the purchase of consumer goods need not be  
20 disclosed;



- 1           (5) The street address and, if available, the tax map key  
2           number, and the value of any real property in which  
3           the person holds an interest whose value is \$10,000 or  
4           more, and, if the interest was transferred or obtained  
5           during the disclosure period, a statement of the  
6           amount and nature of the consideration received or  
7           paid in exchange for such interest, and the name of  
8           the person furnishing or receiving the consideration;  
9           provided that disclosure shall not be required of the  
10          street address and tax map key number of the person's  
11          residence;
- 12          (6) The names of clients [~~personally~~] assisted or  
13          represented before state agencies, except in  
14          ministerial matters, for a fee or compensation during  
15          the disclosure period and the names of the state  
16          agencies involved; and
- 17          (7) The amount and identity of every creditor interest in  
18          an insolvent business held during the disclosure  
19          period having a value of \$5,000 or more."
- 20          3. By amending subsection (h) to read:



1           "(h) The state ethics commission shall provide a [~~long~~  
2 ~~form of disclosure on all even numbered years and a short form~~  
3 ~~of disclosure for subsequent annual filings on all odd numbered~~  
4 ~~years in those instances where the financial interests of the~~  
5 ~~person disclosing are substantially the same as those reported~~  
6 ~~for the preceding disclosure period.] method for filing  
7 financial disclosure statements. The commission may require  
8 that financial disclosure statements be filed electronically."~~

9           SECTION 2. Section 353L-1, Hawaii Revised Statutes, is  
10 amended by amending subsection (d) to read as follows:

11           "(d) The members of the commission shall receive  
12 reimbursement for expenses, including travel expenses, that are  
13 necessary for the performance of their duties. [~~No member of~~  
14 ~~the commission shall be made subject to the financial disclosure~~  
15 ~~requirements of sections 84-13 and 84-17 solely because of that~~  
16 ~~member's participation as a member of the commission.] The  
17 terms of the commissioners shall be as provided in section  
18 26-34."~~

19           SECTION 3. The state ethics commission, in its discretion,  
20 may make any changes that it deems necessary to its internal  
21 procedures or forms to aid in the implementation of this Act.



# S.B. NO. 2115

1 SECTION 4. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:                     *M. D. M.*                      
By Request



# S.B. NO. 2115

**Report Title:**

State Ethics Commission Package; State Ethics Code; Client Disclosure; Financial Disclosure

**Description:**

Amends the state ethics code to require candidates for state elective offices to disclose the name of clients assisted before state agencies. Gives the State Ethics Commission discretion in determining how financial disclosure statements should be filed. Removes the exemption of Hawaii Correctional System Oversight Commission members from financial disclosure requirements.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

